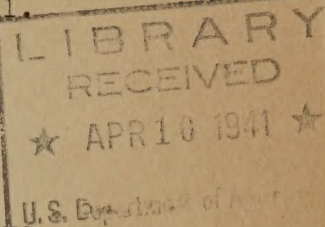


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Docket No. AO 155

Notice of hearing
signed by the Secretary of Agriculture
March 21, 1941.

UNITED STATES DEPARTMENT OF AGRICULTURE
SURPLUS MARKETING ADMINISTRATION
Washington, D. C.



PROPOSED MARKETING AGREEMENT AND PROPOSED ORDER REGULATING
THE HANDLING OF MILK IN THE COOK-DU PAGE COUNTIES MARKETING
AREA UPON WHICH THE SECRETARY OF AGRICULTURE HAS ISSUED
NOTICE OF HEARING UNDER THE AGRICULTURAL MARKETING AGREEMENT
ACT OF 1937.

The Pure Milk Association of Chicago has presented the Secretary with a petition for a public hearing on a proposed marketing agreement and a proposed order regulating the handling of milk in the Cook-Du Page Counties marketing area under the Agricultural Marketing Agreement Act of 1937. The proposed provisions of the marketing program set forth below, with the exception of the "relief milk" pricing provision in Sec. 5 which was proposed by the Dairy Division, have been suggested by the above producers' association which represents approximately 50 percent of the dairymen supplying milk to the Cook-Du Page Counties marketing area.

The Agricultural Marketing Agreement Act of 1937 authorizes the Secretary of Agriculture after due notice of, and opportunity for, hearing to enter into marketing agreements with, and to issue orders applicable to, processors, producers, associations of producers, and others engaged in the handling of milk and its products in the current of interstate or foreign commerce, and authorizes the Secretary to call hearings whenever he has reason to believe that the issuance of an order and/or the execution of an agreement will tend to effectuate the declared policy of the act. In simple terms, as applied to milk, the declared policy of the act is to establish and maintain such orderly marketing conditions for milk in interstate commerce as will establish prices for milk at a level which will give that milk a purchasing power with respect to articles that farmers buy equivalent to its purchasing power in a prescribed base period, after taking into account the available supplies of feed, the prices of feed, and other economic conditions affecting the demand for and the supply of milk.

In response to the petition of the above-named association, the Secretary of Agriculture has issued notice of a public hearing to be held at the Stevens Hotel, Chicago, Illinois, on April 9, 1941 at 10 a.m. (c.s.t.).

At the above time and place opportunity will be given for interested parties to present evidence (1) as to whether or not any

marketing agreement and order should be issued, and (2) as to each and every provision set forth below and as to changes in such provisions which may be proposed in the course of the hearing. It is suggested that each interested party carefully present all the facts which he feels the Secretary of Agriculture should have in the record of the public hearing upon which to base a decision (1) as to the issuance of an order, and (2) if an order is to be issued, what provisions such an order is to contain. The best interests of a proponent, or of an opponent, of the whole proposal, or any provision thereof, will best be served by concise presentation of the relevant facts in his possession, reserving his arguments for filing in written form at the close of the hearing session.

If, upon the facts in the record, the Secretary of Agriculture decides that an order should be issued, the contents of the order, based upon the facts in the record, will then be made known to producers, and their approval or disapproval as to whether the order shall become effective will be determined. The contents of the order will be the same as that of a marketing agreement which handlers will be given an opportunity to sign.

The provisions proposed by the above-named association are set forth below as possible provisions of a marketing agreement and of an order. Their publication in this form is for the convenience of interested parties and is not to be considered as in any way signifying their approval or disapproval by the Secretary of Agriculture.

Section 1 Definitions. (a) Terms. The following terms used herein shall have the following meanings:

(1) "Marketing area" means all the territory within Cook and Du Page Counties, Illinois, except the marketing area described in U.S.D.A. Order No. 41, regulating the handling of milk in the Chicago, Illinois, marketing area.

(2) "Person" means any individual, partnership, corporation, association, or other business unit.

(3) "Producer" means any person who produces milk which is purchased or received by a handler for sale as fluid milk in the marketing area: Provided, That if such producer is not producing milk for sale in the marketing area upon the effective date hereof, but begins the regular delivery of milk to a handler thereafter, he shall be known as a new producer for a period beginning with the date of his first regular delivery of milk and including the first two full calendar months following the date of such first delivery, after which he shall be known as a producer.

(4) "Handler" means any person who engages in handling milk or cream for consumption in fluid form in the marketing area, and who engages in such handling of milk or cream as is in the current of inter-

state commerce, or which directly burdens, obstructs, or affects interstate commerce in milk and its products, excluding persons engaged in handling milk or cream who are handlers as described under U.S.D.A. Order No. 41.

(5) "Administrator" means the person or agency hereinafter designated as the agency for the administration hereof.

(6) "Delivery period" means the period from the first to the last day, both inclusive, of each calendar month.

(7) "Secretary" means the Secretary of Agriculture of the United States.

(8) "Cooperative association" means any duly organized association of producers of milk which the Secretary finds:

(a) to have its entire activities under the control of its members; and

(b) to have and be exercising full authority in the sale of milk of its members.

(9) "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C.A. 601, et seq.).

Sec. 2 Administrator. (a) The agency for the administration hereof shall be an individual selected by the Secretary. The administrator shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

(b) The administrator shall: (1) administer the terms and provisions hereof; (2) under the approval of the Secretary make rules and regulations to effectuate the terms and provisions hereof; (3) receive, investigate, and report to the Secretary complaints of violations hereof; and (4) recommend to the Secretary amendments hereto.

(c) The administrator shall:

(1) Within thirty (30) days following the date upon which he enters upon his duties, execute and deliver a bond to the Secretary conditioned upon the faithful performance of his duties, in an amount, and with surety approved by the Secretary;

(2) Pay out of funds hereby provided for, and not otherwise appropriated, the cost of his bond, his own compensation, and all other expenses necessarily incurred in the maintenance and functioning of his office;

(3) Keep such books and records as will clearly reflect the transactions herein provided for, and surrender the same to his successor or such other person as the Secretary may designate;

(4) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within ten (10) days after the date upon which such person is required to do so, has not fully complied with the provisions hereof;

(5) Promptly verify the information contained in all reports hereby required to be submitted to him;

(6) Prepare and disseminate, for the benefit of producers, consumers, and handlers, such statistics and information concerning the operation hereof as do not reveal confidential information;

(7) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions hereof; and

(8) Obtain a bond with reasonable surety covering each employee who handles funds entrusted to the administrator.

Sec. 3 Reports of handlers. (a) Submission of reports. Each handler shall report to the administrator, in the detail and on forms prescribed by the administrator, as follows:

(1) On or before the 7th day after the end of each delivery period (a) the receipts of milk at each plant from producers, (b) the receipts of milk at each plant from handlers, (c) the receipts at each plant of the milk, if any, produced by him, (d) the utilization of all receipts of milk for the delivery period, and (e) the name and address of each new producer.

(2) On or before the 7th day after the end of such delivery period, the sale or disposition of milk outside the marketing area, as follows: (a) the amount and utilization of such milk, (b) the butterfat test thereof, (c) the date of such sale or disposition, (d) the point of use, (e) the plant from which such milk is shipped, and (f) such other information with respect thereto as the administrator may request.

(3) On or before the 25th day after the end of each delivery period, his producer pay roll, which shall show for each producer (a) the total delivery of milk with the average butterfat test thereof, (b) the net amount of the payment to such producer, and (c) any deductions and charges made by the handler.

(4) Within ten (10) days after the administrator's request with respect to any producer for whom such information is not in the files of the administrator and with respect to a period or periods of time designated by the administrator (a) the name and address, (b) the total pounds of milk delivered, (c) the average butterfat test of milk delivered, and (d) the number of days upon which deliveries were made.

(5) Upon request of the administrator, a schedule which shall show transportation rates which are charged and paid for the transportation of milk from the farm of each producer and new producer to such handler's plant.

(6) On or before the 5th day after any changes are made in the schedule filed in accordance with subparagraph (5) of this paragraph, a copy of the revised schedule with the effective dates of such changes as may appear in the revised schedule.

(b) Verification of reports. Each handler shall make available to the administrator or his agent:

(1) Those records which are necessary for the verification of the information contained in the reports submitted in accordance with this section; and

(2) Those facilities necessary for the check-weighing, testing, and sampling of milk and for determining the utilization of milk by the handler.

Sec. 4 Classification. (a) All milk purchased or received by a handler, including milk, if any, produced by him, shall be classified as follows by the administrator:

(1) Class I milk shall be all milk disposed of in the form of fluid milk, and all milk not accounted for as Class II milk, Class III milk, or Class IV milk.

(2) Class II milk shall be all milk, except skim milk, disposed of in the form of flavored milk and flavored milk drinks, and all milk, the butterfat from which is disposed of in the form of cream, sweet or sour, cottage cheese, buttermilk, frozen cream, ice cream, and ice cream mix.

(3) Class III milk shall be all milk the butterfat from which is used to produce a milk product other than one of those specified in Class II and Class IV.

(4) Class IV milk shall be all milk the butterfat from which is used to produce butter and cheese, except cottage cheese, and all

milk accounted for as actual plant shrinkage: Provided, That such plant shrinkage shall not exceed 2 percent of the total receipts of milk from producers. Any handler whose report claimed the original classification of milk in this class shall pay to producers the difference between Class IV and Class II prices for the delivery period in which the Class IV classification was claimed on any such milk, if the butterfat used in the production of butter is subsequently used in the production of ice cream or ice cream mix.

(b) Interhandler sales. All milk disposed of as milk by a handler to another handler shall be apportioned to each class in the proportions that the quantity of milk disposed of in each class by the receiving handler bears to the total quantity of milk received by him, as reported pursuant to Section 3(a), and milk disposed of by a handler to a milk distributing or manufacturing plant of a person not a handler, which plant is located outside the marketing area, or to a plant, wherever located, engaged only in the manufacturing of milk products shall be classified as Class I milk, except that if the selling handler, on or before the date fixed for filing reports pursuant to Section 3(a), furnishes to the market administrator a statement, which is signed by the purchaser and the selling handler, that such milk was used as Class II milk, Class III milk, or Class IV milk, such milk shall be classified accordingly, subject to verification by the market administrator.

(c) Computation of milk in each class. For each delivery period, each handler shall compute, in the manner and on forms prescribed by the market administrator, the amount of milk in each class, as defined in paragraph (a) of this section, as follows:

(1) Determine the total pounds of milk (a) received from producers, (b) produced by him, if any, (c) received from other handlers, if any, and (d) add together the resulting amounts.

(2) Determine the total pounds of butterfat received as follows: (a) multiply the weight of the milk received from producers by its average butterfat test, (b) multiply the weight of the milk produced by him, if any, by its average butterfat test, (c) multiply the weight of the milk received from other handlers, if any, by its average butterfat test, and (d) add together the resulting amounts.

(3) Determine the total pounds of milk in Class I as follows: (a) convert to quarts the quantity of milk disposed of in the form of milk and multiply by 2.15, (b) multiply the result by the average butterfat test of such milk, and (c) if the quantity of butterfat so computed when added to the pounds of butterfat in Class II milk, Class III milk, and Class IV milk, computed pursuant to subparagraphs (4)(b), (5)(b), and (6)(c) of this paragraph, is less than the total pounds of butterfat received, computed in accordance with subparagraph (2) of

this paragraph, an amount equal to the difference shall be divided by 3.5 percent and added to the quantity of milk determined pursuant to (a) of this subparagraph.

(4) Determine the total pounds of milk in Class II as follows:

(a) multiply the actual weight of each of the several products of Class II milk by its average butterfat test, (b) add together the resulting amounts, and (c) divide the result obtained in (b) of this subparagraph by 3.5 percent.

(5) Determine the total pounds of milk in Class III as follows:

(a) multiply the actual weight of each of the several products of Class III milk by its average butterfat test, (b) add together the resulting amounts, and (c) divide the result obtained in (b) of this subparagraph by 3.5 percent.

(6) Determine the total pounds of milk in Class IV as follows:

(a) multiply the actual weight of each of the several products of Class IV milk by its average butterfat test, (b) add together the resulting amounts, (c) subtract the total pounds of butterfat in Class I milk, Class II milk, and Class III milk, computed pursuant to subparagraphs (3)(b), (4)(b), and (5)(b) of this paragraph, and the total pounds of butterfat computed pursuant to (b) of this subparagraph, from the total pounds of butterfat computed pursuant to subparagraph (2) of this paragraph, which resulting quantity shall be allowed as plant shrinkage for the purposes of this paragraph (but in no event shall such plant shrinkage allowance exceed 2 percent of the total receipts of butterfat from producers by the handler) and shall be added to the result obtained in (b) of this subparagraph, and (d) divide the result obtained in (c) of this subparagraph by 3.5 percent.

(7) Determine the classification of milk received from producers as follows:

(i) Subtract pro rata out of each class the quantity of milk received from the handler's own farm.

(ii) Subtract from the total pounds of milk in each class the total pounds of milk which were received from other handlers and used in such class.

(iii) Subtract from the total pounds of milk in each class the total pounds of milk which were received from sources other than producers and handlers and used in such class.

(iv) Except as set forth in paragraph (d) of this section, the result shall be known as the "net pooled milk" in each class.

(d) Reconciliation of utilization of milk by classes with receipts of milk from producers.

(1) If the total utilization of milk in the various classes for any handler, as computed pursuant to paragraph (c) of this section, is less than the receipts of milk from producers, the market administrator shall increase the total pounds of milk in Class IV for such handler by an amount equal to the difference between the receipts of milk from producers and the total utilization of milk by classes for such handler.

(2) If the total utilization of milk in the various classes for any handler, as computed pursuant to paragraph (c) of this section, is greater than the receipts of milk from producers, the market administrator shall decrease the total pounds of milk in Class IV for such handler by an amount equal to the difference between the receipts of milk from producers and the total utilization of milk by classes for such handler.

Sec. 5 Minimum prices. (a) Class prices. Except as set forth in paragraph (b) of this section, each handler shall pay, at the time and in the manner set forth in Section 7, not less than the following prices for milk received at such handler's plant as follows:

(1) Class I milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content, computed pursuant to the formula set forth in Section 1 of Article VI of the Marketing Agreement for Evaporated Milk issued by the Secretary on May 31, 1935, 70 cents per hundredweight for the months of July, August, September, October, and November; 55 cents per hundredweight for the months of December, January, February, March, and April; and 45 cents per hundredweight for the months of May and June: Provided, That with respect to Class I milk disposed of under a program approved by the Secretary for the sale or distribution of milk to low-income consumers, including persons on relief, the price shall be \$1.63 per hundredweight.

(2) Class II milk - Add to the price per hundredweight for milk of 3.5 percent butterfat content, computed pursuant to the formula set forth in Section 1 of Article VI of the Marketing Agreement for Evaporated Milk issued by the Secretary on May 31, 1935, or the last amendment thereto, if any, 32 cents per hundredweight for the months of July, August, September, October, and November; 25 cents per hundredweight for the months of December, January, February, March, and April; and 20 cents per hundredweight for the months of May and June.

(3) Class III milk - The price per hundredweight for milk containing 3.5 percent butterfat during each delivery period shall be the average, computed by the administrator, of prices, as reported to the United States Department of Agriculture, paid during such delivery period to farmers at each of the evaporated milk plants where milk is purchased for evaporating purposes at places listed in this subparagraph and for which prices are reported, but in no event shall such price be less than the price computed pursuant to the formula set forth in Section 1 of Article VI of the Marketing Agreement for Evaporated Milk issued by the Secretary on May 31, 1935, or the last amendment thereto.

Location of evaporated milk plants:

Mt. Pleasant, Mich.	Berlin, Wis.
Sparta, Mich.	Richland Center, Wis.
Hudson, Mich.	Oconomowoc, Wis.
Wayland, Mich.	Jefferson, Wis.
Coopersville, Mich.	Belleville, Wis.
Greenville, Wis.	New London, Wis.
Black Creek, Wis.	Manitowoc, Wis.
Orfordville, Wis.	West Bend, Wis.
Chilton, Wis.	

(4) Class IV milk - Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 20 percent.

(5) In the event the marketing agreement for evaporated milk, issued by the Secretary on May 31, 1935, is suspended or terminated, the formula price to be used in determining the price for Class I milk, Class II milk, and Class III milk, in lieu of the formula set forth in Section 1 of Article VI of the said marketing agreement, shall be calculated by the administrator as follows:

Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 30 percent.

(b) Sales outside the marketing area. The price to be paid by a handler for Class I milk disposed of outside the marketing area, in lieu of the price otherwise applicable pursuant to this section, shall be the price, as ascertained by the administrator, which is being paid in the market where such milk is disposed of, for milk of equivalent use.

Sec. 6. Determination of uniform prices to producers. (a) Computation of value of milk for each handler. For each delivery period the market administrator shall compute the value of milk of producers and new producers received by each handler, by (a) multiplying the quantity of such milk in each class by the price applicable pursuant to Section 5, and (b) adding together the resulting values of each class.

(b) Computation of uniform price for each handler. The market administrator shall compute for each handler the uniform price per hundredweight of milk received at such handler's plant, as follows:

(1) Subtract from the value computed pursuant to paragraph (a)

of this section the total amount to be paid pursuant to Section 7(a)(2);

(2) If, in the verification of the reports of such handler the administrator discovers errors in such reports there shall be added or subtracted, as the case may be, the amount of money to correct such errors;

(3) Divide by the hundredweight of milk received from producers other than the milk represented by the amount subtracted in subparagraph (1) of this paragraph; and

(4) Adjust the resulting price to the nearest cent.

(c) Announcement of prices. On or before the 12th day after the end of each delivery period the administrator shall mail to all handlers and publicly announce (a) such of these computations as do not disclose information confidential pursuant to the act, (b) the uniform price computed for him and the price for milk received from new producers, and (c) the price of Class I milk, Class II milk, Class III milk, and Class IV milk, used in the computations made pursuant to paragraph (b) of this section.

Sec. 7 Payment for milk. (a) Time and method of payment.

(1) On or before the 18th day after the end of each delivery period, each handler shall pay each producer for milk purchased or received during the delivery period an amount of money representing not less than the total value of such milk, at the uniform price computed pursuant hereto and subject to the butterfat differentials hereinafter set forth.

(2) On or before the 18th day after the end of each delivery period, each handler shall pay each new producer for milk purchased or received during the delivery period an amount of money representing not less than the total value of such milk, at the lowest use classification price provided in Section 5, and subject to the butterfat differential hereinafter set forth.

(b) Butterfat differential to producers. Four cents per hundredweight for each one-tenth of 1 percent butterfat above or below 3.5 percent butterfat, as the case may be, to be added to or subtracted from the price of milk containing 3.5 percent butterfat.

Sec. 8 Application of provisions. (a) Handlers who are also producers.

(1) The provisions hereof shall not apply to a handler who is also a producer, and who does not purchase or receive any milk from producers or an association of producers. Such handler shall, however, make reports to the administrator at such time and in such manner

as the administrator may request, and permit the administrator to verify the information contained in such reports.

(2) In the case of a handler who is also a producer and who does not purchase or receive any milk from producers, or an association of producers, the administrator, before making the computations set forth in Section 6, shall exclude milk purchased or received by him in each class from other handlers, exclude pro rata from his remaining Class I and Class II milk up to but not exceeding 95 percent of the quantity of milk produced and disposed of by him, and exclude from his remaining Class III milk the balance of the milk produced and disposed of by him.

(3) In computing the value of milk for any handler pursuant hereto, the administrator shall consider any milk or cream received in bulk by such handler from a handler who is also a producer as described in this section, as Class III milk. If the receiving handler disposes of such milk or cream for other than Class III purposes, the administrator shall add to the total value computed pursuant to Section 6 hereof, the difference between the value of such milk or cream at the Class III price and the value according to its use.

Sec. 9 Expense of administration. (a) Payments by handlers.

As his prorata share of the expense of the administration hereof, each handler shall pay to the administrator, on or before the 18th day after the end of each delivery period, a sum not exceeding 2 cents per hundredweight with respect to all milk purchased or received by him during such delivery period from producers and new producers, or produced by him, the exact sum to be determined by the administrator, subject to review by the Secretary: Provided, That each handler which is a cooperative association shall pay such prorata share of expense of administration only on that milk of producers and new producers actually received at a plant of such cooperative association, or caused to be delivered by such cooperative association to a plant from which no milk is disposed of in the marketing area.

(b) Suits by administrator. The administrator may maintain a suit in his own name against any handler for the collection of such handler's prorata share of expense set forth in this section.

Sec. 10 Marketing services. (a) Marketing service deduction.

In making payments to producers and new producers each handler, with respect to all milk received from each producer and new producer during each delivery period, except as set forth in paragraph (b) of this section, shall deduct 3 cents per hundredweight, or such lesser amount as the administrator shall determine to be sufficient, such determination to be subject to review by the Secretary, and shall, on or before the 18th day after the end of such delivery period, pay such deductions to the administrator. Such moneys shall be expended by the administrator for verification of weights, samples, and tests of milk received from

such producers and new producers, and for providing market information to such producers and new producers. The administrator may contract with an association or associations of producers for the furnishing of the whole or any part of such services to, or with respect to the milk received from, such producers and new producers.

(b) Marketing service deductions with respect to members of a cooperative association. In the case of producers and new producers for whom a cooperative association which the Secretary determines to be qualified under the provisions of the Act of Congress of February 16, 1922, as amended, known as the "Capper-Volstead Act," is actually performing the services set forth in paragraph (a) of this section, each handler shall, in lieu of the deductions specified in paragraph (a) of this section, make such deductions from payments for milk as may be authorized by such producers and new producers, and on or before the 18th day after the end of each delivery period pay such deductions to the associations rendering such service.

Sec. 11 Market advisory committee. (a) Subsequent to the effective date hereof, the administrator may select a committee, representative of the industry for the purposes (1) of recommendation of amendments hereto, and (2) of conference, counsel, and advice.

Sec. 12 Suspension or termination. (a) The Secretary may suspend or terminate any or all of the provisions hereof whenever he finds that this agreement or any of the provisions hereof obstructs or does not tend to effectuate the declared policy of the act. This agreement shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

(b) Continuing power and duty of the market administrator. If, upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: Provided, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(1) The market administrator, or such other person as the Secretary may designate, shall (i) continue in such capacity until removed by the Secretary, (ii) from time to time account for all receipts and disbursements, and when so directed by the Secretary deliver all funds on hand, together with the books and records of the market administrator or such person, to such person as the Secretary shall direct, and (iii) if so directed by the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

(c) Liquidation after suspension or termination. Upon the suspension or termination of any or all provisions hereof the market administrator, or such person as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

Sec. 13 Liability of handlers. The liability of the handlers hereunder is several and not joint, and no handler shall be liable for the default of any other handler.

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Docket No. AO 155

UNITED STATES DEPARTMENT OF AGRICULTURE
SURPLUS MARKETING ADMINISTRATION
DAIRY DIVISION

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NOTICE OF HEARING WITH RESPECT TO A PROPOSED ^{Department of Agriculture} ORDER
MARKETING AGREEMENT AND A PROPOSED ORDER
REGULATING THE HANDLING OF MILK IN THE COOK-DU
PAGE COUNTIES, ILLINOIS, MARKETING AREA, PRE-
PARED AND PROPOSED BY THE PURE MILK ASSOCIATION
OF CHICAGO, ILLINOIS, UPON WHICH SAID ORGANIZA-
TION HAS REQUESTED THE SECRETARY OF AGRICULTURE
TO HOLD A HEARING UNDER THE AGRICULTURAL MARKET-
ING AGREEMENT ACT OF 1937, AS AMENDED.

Notice is hereby given of a public hearing to be held in the Stevens Hotel, 720 South Michigan Avenue, Chicago, Illinois, beginning at 10:00 a.m., c.s.t., April 9, 1941, on a proposed marketing agreement and order, prepared and proposed by The Pure Milk Association of Chicago, Illinois, and designed to regulate such handling of milk in the Cook-Du Page Counties, Illinois, marketing area as is in the current of interstate commerce, or which directly burdens, obstructs, or affects interstate commerce. The marketing area is defined as "all the territory within Cook and Du Page Counties, Illinois, except the marketing area described in U. S. D. A. Order No. 41, regulating the handling of milk in the Chicago, Illinois, marketing area."

There being reason to believe that the execution of such a marketing agreement and the issuance of such an order will tend to effectuate the declared policy of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, this notice is given pursuant to the provisions of said act and of the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture.

At this public hearing, representatives of the Secretary will receive factual evidence (1) as to whether marketing conditions for such handling of milk in the Cook-Du Page Counties, Illinois, marketing area as is in the current of interstate commerce, or which directly burdens, obstructs or affects interstate commerce are so disorderly as to necessitate regulation in order to effectuate the declared policy of the act and (2) as to the specific provisions which a marketing agreement and order should contain.

The proposed marketing agreement and order provide, among other things, for: (1) definition of the marketing area, (2) selection of a market administrator, (3) reports of handlers, (4) classification of milk, (5) minimum prices to producers, (6) payments to producers through the use of individual handler pools, (7) deductions for marketing services, and (8) expenses of administration.

Copies of the proposed marketing agreement and order may be obtained from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, in Room 0310, South Building, Washington, D. C., or may be there inspected.

/s/ C. R. WICKARD
Secretary of Agriculture

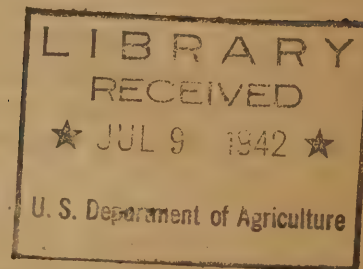
Dated: March 21, 1941

Washington, D. C.

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June 8, 1942

Docket No. A 163

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING ADMINISTRATION
DAIRY AND POULTRY BRANCH



TENTATIVELY APPROVED MARKETING AGREEMENT REGU-
LATING THE HANDLING OF MILK IN THE COOK-DUPAGE
COUNTIES, ILLINOIS, MARKETING AREA

Date: June 8, 1942

Washington, D. C.

INSTRUCTIONS FOR SIGNING THE MARKETING AGREEMENT
(Please read carefully before signing)

Handlers of milk who wish to enter into the marketing agreement, regulating the handling of milk in the Cook-DuPage Counties, Illinois, marketing area with the Secretary of Agriculture should fill in and sign in accordance with the following instructions:

1. The marketing agreement should be signed in the space provided in § 15. The type of business organization which you represent, whether corporation, partnership, or individual, should be indicated with your signature. If your business is organized as a corporation you should be sure to impress the corporate seal at the left of your signature.

2. The amount of milk handled during the month of April 1942 should be indicated in § 14(a).

3. If your business is a corporation, the board of directors should pass a resolution in the form attached to the end hereof, authorizing the signing of the marketing agreement.

4. In the case of partnerships and other business units, the marketing agreement should be signed by persons authorized to represent the same, such authorization to be indicated.

When the above procedure has been completed, the marketing agreement should be returned to Mr. William B. Connor, Referendum Agent, Suite 290, United States Court House, Dearborn and Jackson Streets, Chicago, Illinois.

MARKETING AGREEMENT REGULATING THE HANDLING OF MILK
IN THE COOK-DU PAGE COUNTIES, ILLINOIS, MARKETING AREA

The Secretary of Agriculture of the United States is empowered, after due notice of, and opportunity for, hearing, to enter into marketing agreements with processors, producers, associations of producers, and others engaged in such handling of any agricultural commodity or product thereof as is in the current of interstate or foreign commerce, or which directly burdens, obstructs, or affects interstate or foreign commerce in such commodity or product thereof.*

There being reason to believe that the execution of a marketing agreement and an order, regulating the handling of milk in the Cook-DuPage Counties, Illinois, marketing area would tend to effectuate the declared policy of the act, notice was given on the 6th day of March 1942, of a public hearing which was convened at Wheaton, Illinois, on the 26th day of March 1942, on a proposed marketing agreement and a proposed order, and at said time and place all interested parties were afforded an opportunity to be heard on the proposed marketing agreement and on the proposed order.*

The parties signatory hereto (said parties being the handlers and the Secretary) in order to effectuate the declared policy of the act, desire to enter into this marketing agreement, and they hereby agree that:*

§ 1 Definitions. (a) Terms. The following terms used herein shall have the following meanings:

(1) "Marketing area" means all of the territory within the corporate limits of the city of Barrington in Lake County, Illinois, and all of the territory within Cook and Du Page Counties, Illinois, excepting (a) the marketing area described in Federal Order No. 41, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area, (b) the townships of Bremen, Calumet, Thorton, Rich, Orland, Bloom, and Hanover, and (c) that part of the city of Blue Island which is in the township of Worth, in Cook County, Illinois.

(2) "Person" means individual, partnership, corporation, association, or other business unit.

* 50 Stat. 246.

(3) "Producer" means any person who produces milk which is purchased or received at a plant from which fluid milk is used as Class I milk in the marketing area, excepting any person who is a producer under Federal Order No. 41, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area: Provided, That during any delivery period when such plant furnishes milk for Class I use in the marketing area in an amount less than 10 percent of the total receipts of milk at such plant and for less than 10 days during such delivery period, persons producing milk purchased or received at such plant shall not be considered to be producers for such delivery period.

(4) "Handler" means any person who engages in handling milk, all, or any portion, of which is used as Class I milk in the marketing area, and who engages in such handling of milk as is in the current of interstate commerce, or which directly burdens, obstructs, or affects interstate commerce in milk and its products. This definition shall not be deemed to include any person who is subject to the definition of handler under Federal Order No. 41, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area.

(5) The term "market administrator" means the agency which is described in § 2 for the administration hereof.

(6) The term "delivery period" means the period from the effective date hereof until the end of the month in which such effective date occurs, and thereafter such term shall mean the current marketing period from the first to the last day of each month, both days inclusive.

(7) The term "cooperative association" means any cooperative association of producers which the Secretary determines (a) to have its entire activities under the control of its members and (b) to have and to be exercising full authority in the sale of milk of its members.

(8) The term "act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended.

(9) The term "Secretary" means the Secretary of Agriculture of the United States.

§ 2 Market administrator. (a) Selection, removal, and bond. The agency for the administration hereof shall be a market administrator who shall be a person selected and subject to removal by the Secretary. The market administrator shall, within 45 days following the date upon which he enters upon his duties, execute and deliver

to the Secretary a bond, conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary.

(b) Compensation. The market administrator shall be entitled to such reasonable compensation as shall be determined by the Secretary.

(c) Powers. The market administrator shall have the power: (1) to administer the terms and provisions hereof, and (2) report to the Secretary complaints of violations hereof.

(d) Duties. The market administrator, in addition to the duties hereinafter described, shall:

(1) Keep such books and records as will clearly reflect the transactions provided for herein;

(2) Submit his books and records to examination by the Secretary at any and all times;

(3) Furnish such information and such verified reports as the Secretary may request;

(4) Obtain a bond with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

(5) Publicly disclose, after reasonable notice, the name of any person who has not made reports pursuant to § 3, or made payments required by § 8;

(6) Prepare and disseminate, for the benefit of producers, consumers, and handlers, such statistics and information concerning the operation hereof as does not reveal confidential information;

(7) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions hereof; and

(8) Pay, out of the funds received pursuant to § 9, the cost of his bond and of the bonds of such of his employees as handle funds entrusted to the market administrator, his own compensation, and all other expenses which will necessarily be incurred by him for the maintenance and functioning of his office and the performance of his duties.

(e) Announcement of prices. The market administrator shall compute and publicly announce prices as follows:

(1) Not later than the 5th day after the end of each delivery period, the prices for all classes of milk pursuant to § 5(a), the differential pursuant to § 5(c), and the Class I prices applicable pursuant to § 5(e).

(2) Not later than the 14th day after the end of each delivery period, the uniform price for each handler computed pursuant to § 7(b).

§ 3 Reports of handlers: (a) Submission of reports. Each handler shall report to the market administrator, in the detail and on forms prescribed by the market administrator, as follows:

(1) On or before the 7th day after the end of each delivery period, each handler who purchases or receives milk during such delivery period from associations of producers and other handlers, with respect to all milk purchased or received from such sources, shall submit to the market administrator and to the association of producers or handlers from whom the milk was received, a record of the utilization of such milk, classified pursuant to § 4.

(2) On or before the 10th day after the end of each delivery period, the quantity, the butterfat test, and butterfat pounds of (a) the receipts of milk at each plant from producers, (b) the receipts of milk and cream at each plant from other handlers, (c) the receipts of milk or cream from sources other than producers and handlers, if any, (d) the receipts at each plant of the milk produced by him, if any, and (e) the utilization of all receipts of milk and cream for the delivery period.

(3) On or before the 10th day after the end of each delivery period, the information requested with respect to producer additions, producer withdrawals, and changes in names of farm operators.

(4) On or before the 10th day after the end of each delivery period, the sale or disposition of milk outside the marketing area pursuant to § 5(e) as follows: (a) the amount and the utilization of such milk, (b) the butterfat test thereof, (c) the point of use, (d) the plant from which such milk was shipped, and (e) such other information with respect thereto as the market administrator may request.

(5) On or before the 25th day after the end of each delivery period, his producer pay roll, which shall show for each producer (a) the total delivery of milk with the average butterfat test thereof, (b) the net amount of payment to such producer made pursuant to § 8, (c) any deductions and charges made by the handler, and (d) such other information with respect thereto as the market administrator may request.

(b) Verification of reports and payments. The market administrator shall verify all reports and payments of each handler by audit of such handler's records, and of the records of any other handler or person upon whose disposition of milk such handler claims classification. Each handler shall keep adequate records of receipts and

utilization of milk and shall make available to the market administrator or his representatives during the usual hours of business such records and facilities as will enable the market administrator to:

(1) Verify the receipts and disposition of all milk required to be reported pursuant to this section, and, in case of errors or omissions, ascertain the correct figures;

(2) Weigh, sample, and test for butterfat content the milk received from producers and any product of milk upon which classification depends; and

(3) Verify the payments to producers prescribed in § 8.

§ 4 Classification of milk. (a) Basis of classification. All milk received by a handler from producers, associations of producers, and other handlers, including milk produced by him, if any, and including milk or cream purchased or received from sources other than producers or handlers, if any, shall be reported by the handler in the classes set forth in paragraph (b) of this section, subject to the following conditions: (1) Milk or skim milk delivered by a handler to another handler shall be classified as Class I milk, and cream so delivered shall be classified as Class II milk: Provided, That if a different classification is agreed upon in written reports to the market administrator, then the milk, skim milk, and cream shall be classified according to such agreement: Provided, That in no event, the amount so reported in any class be greater than the amount used in that class by the receiving handler. (2) Any milk moving from the plant of a handler to the plant of a nonhandler who distributes fluid milk shall be classified as Class I milk and any cream moved to such nonhandler shall be classified as Class II milk, excepting milk and cream in excess of the amount of Class I or Class II milk distributed by such nonhandler. (3) Any milk or cream moving from the plant of a handler to the plant of a nonhandler who does not distribute fluid milk shall be classified according to its use by such nonhandler, subject to verification by the market administrator. (4) Milk that has moved from a plant described in the proviso of § 1(a)(3) to a handler's plant at which milk is received from producers shall be classified in the lowest class for which such handler has milk: Provided, That upon satisfactory evidence to the market administrator that such milk was needed and used in a higher classification, then such milk may be prorated on the basis of such handler's utilization of all milk. (5) Milk received by a handler in the form of cream from a nonhandler shall be prorated to and on the basis of such handler's Class II, Class III, and Class IV milk. (6) Any milk or cream subject to Federal Order 41, as amended, and received by a handler shall be classified as Class I or Class II milk, respectively.

(b) Classes of utilization. Subject to the conditions set forth in paragraph (a) of this section, the classes of utilization of milk shall be as follows:

(1) Class I milk shall be all milk disposed of in the form of fluid milk, including bulk milk disposed of to hotels, restaurants, and other retail food establishments, but excluding bulk milk disposed of to bakeries, soup companies, and candy manufacturing establishments which do not distribute fluid milk, and all milk not accounted for as Class II milk, Class III milk, or Class IV milk.

(2) Class II milk shall be all milk, except skim milk, disposed of in the form of flavored milk and flavored milk drinks, and all milk the butterfat from which is disposed of in the form of sweet or sour cream, cottage cheese, and buttermilk.

(3) Class III milk shall be all milk the butterfat from which is used to produce a milk product other than one of those specified in Class II and Class IV, and all bulk milk disposed of to bakeries, soup companies, and candy manufacturing establishments which do not distribute fluid milk.

(4) Class IV milk shall be all milk the butterfat from which is used to produce butter and cheese, except cottage cheese, and all milk accounted for as actual plant shrinkage: Provided, That such plant shrinkage shall not exceed 2 percent of the total receipts of milk from producers.

(c) Responsibility of handlers in establishing the classification of milk. In establishing the classification of milk as required in paragraph (b) of this section, the responsibilities of handlers shall be as follows:

(1) With respect to milk received from producers, the burden rests upon the handler who receives the milk from producers to account for the milk and to prove to the market administrator that such milk should not be classified as Class I milk.

(2) With respect to milk, or skimmed milk, disposed of to another handler, the burden rests upon the handler who received the milk from producers to account for the milk, or skimmed milk, and to prove to the market administrator that such milk, or skimmed milk, should not be classified as Class I milk: Provided, That if verification by the market administrator discloses a higher utilization than that reported pursuant to § 3(a)(1) for milk purchased by a handler from a cooperative association, the market administrator shall notify the purchasing handler and such handler, within five days after notification by the market administrator, shall make adjustment to such cooperative association on the basis of such higher utilization as verified by the market administrator.

(d) Computation of milk in each class. For each delivery period, each handler shall compute, in the manner and on forms prescribed by

the market administrator, the amount of milk in each class, as defined in paragraph (b) of this section, as follows:

(1) Determine the total pounds of milk (a) received from producers, (b) produced by him, if any, (c) received from other handlers, if any, (d) received from other sources, if any, and (e) add together the resulting amounts.

(2) Determine the total pounds of butterfat received as follows: (a) multiply the weight of the milk received from producers by its average butterfat test, (b) multiply the weight of the milk produced by him, if any, by its average butterfat test, (c) multiply the weight of the milk received from other handlers, if any, by its average butterfat test, (d) multiply the weight of the milk received from other sources, if any, by its average butterfat test, and (e) add together the resulting amounts.

(3) Determine the total pounds of milk in Class I as follows: (a) convert to quarts the quantity of milk disposed of in the form of milk, except bulk milk disposed of to bakeries, soup companies, and candy manufacturing establishments which do not distribute fluid milk, and multiply by 2.15, (b) multiply the result by the average butterfat test of such milk, and (c) if the quantity of butterfat so computed when added to the pounds of butterfat in Class II milk, Class III milk, and Class IV milk, computed pursuant to subparagraphs (4)(b), (5)(b), and (6)(d) of this paragraph, is less than the total pounds of butterfat received, computed in accordance with subparagraph (2) of this paragraph, an amount equal to the difference shall be divided by 3.5 percent and shall be added to the quantity of milk determined pursuant to (a) of this subparagraph.

(4) Determine the total pounds of milk in Class II as follows: (a) multiply the actual weight of each of the several products of Class II milk by its average butterfat test, (b) add together the resulting amounts, and (c) divide the result obtained in (b) of this subparagraph by 3.5 percent.

(5) Determine the total pounds of milk in Class III as follows: (a) multiply the actual weight of each of the several products of Class III milk by its average butterfat test, (b) add together the resulting amounts, and (c) divide the result obtained in (b) of this subparagraph by 3.5 percent.

(6) Determine the total pounds of milk in Class IV as follows: (a) Multiply the actual weight of each of the several products of Class IV milk by its average butterfat test, (b) add together the resulting amounts, (c) subtract the total pounds of butterfat in Class I milk, Class II milk, and Class III milk, computed pursuant to subparagraphs (3)(b), (4)(b), and (5)(b) of this paragraph, and

the total pounds of butterfat computed pursuant to (b) of this subparagraph, from the total pounds of butterfat computed pursuant to subparagraph (2) of this paragraph, which resulting quantity shall be allowed as plant shrinkage for the purpose of this paragraph (but in no event shall such plant shrinkage allowance exceed 2 percent of the total receipts of butterfat from producers by the handler, (d) add together the results obtained in (b) and (c) of this subparagraph, and (e) divide the result obtained in (d) of this subparagraph by 3.5 percent.

(7) Determine the classification of milk received from producers as follows:

(i) Subtract from the total pounds of milk in each class the total pounds of milk which were received from other handlers and used in such class, as provided for in § 4(a).

(ii) Subtract from the total pounds of remaining milk in each class the total pounds of milk which were received from sources other than producers and handlers and used in such class, as provided for in § 4(a).

(iii) Subtract pro rate out of the remaining milk in each class the quantity of milk received from the handler's own farm.

(iv) Except as set forth in paragraph (e) of this section, the result shall be known as the "net pooled milk" in each class.

(e) Reconciliation of utilization of milk by classes with receipts of milk from producers. (1) If the total utilization of milk in the various classes for any handler, as computed pursuant to paragraph (d) of this section, is less than the receipts of milk from producers, the market administrator shall increase the total pounds of milk in Class IV for such handler by an amount equal to the difference between the receipts of milk from producers and the total utilization of milk by classes for such handler, which result shall be known as the "net pooled milk" in each class.

(2) If the total utilization of milk in the various classes for any handler, as computed pursuant to paragraph (d) of this section, is greater than the receipts of milk from producers, the market administrator shall decrease the total pounds of milk in Class IV for such handler by an amount equal to the difference between the receipts of milk from producers and the total utilization of milk by classes for such handler, which result shall be known as the "net pooled milk" in each class.

§ 5 Minimum prices. (a) Class prices. (1) Except as set forth in paragraph (e) of this section and subject to the differentials set forth in paragraphs (c) and (d) of this section, each handler

shall pay, at the time and in the manner set forth in § 8, for milk purchased or received by such handler at plants located not more than 70 miles by rail or highway, whichever is the shorter, from the City Hall in Chicago, Illinois, not less than the prices set forth in this paragraph. Any handler who purchases or receives, during any delivery period, milk from a cooperative association which is also a handler shall, on or before the 15th day after the end of the delivery period, pay such cooperative association in full for such milk at not less than the minimum class prices, with appropriate differentials, applicable pursuant to this section.

(2) Class I milk - The price per hundredweight for Class I milk during each delivery period, except the delivery periods of May and June, shall be the price determined pursuant to paragraph (b) of this section, plus 70 cents; and during the delivery periods of May and June the price per hundredweight for Class I milk shall be the price determined pursuant to paragraph (b), plus 50 cents: Provided, That with respect to Class I milk disposed of under a program approved by the Secretary for the sale or disposition of milk to low-income consumers, including persons on relief, the price shall be \$2.20 per hundredweight.

(3) Class II milk - The price per hundredweight for Class II milk during each delivery period, except the delivery periods of May and June, shall be the price determined pursuant to paragraph (b) of this section, plus 32 cents; and during the delivery periods of May and June the price per hundredweight for Class II milk shall be the price determined pursuant to paragraph (b) of this section, plus 20 cents.

(4) Class III milk - The price per hundredweight for milk containing 3.5 percent butterfat during each delivery period shall be the average, computed by the market administrator, of prices, as reported to the United States Department of Agriculture, paid during such delivery period to farmers at each of the places or evaporated milk plants where milk is purchased or received for evaporating purposes listed in this subparagraph and for which prices are reported, but in no event shall such price be less than the price computed pursuant to the formula set forth in paragraph (b) of this section.

Location of evaporated milk plants and places:

Mt. Pleasant, Mich.
Sparta, Mich.
Hudson, Mich.
Wayland, Mich.
Coopersville, Mich.
Greenville, Wis.
Black Creek, Wis.
Orfordville, Wis.
Chilton, Wis.

Berlin, Wis.
Richland Center, Wis.
Oconomowoc, Wis.
Jefferson, Wis.
New Glarus, Wis.
Belleville, Wis.
New London, Wis.
Manitowoc, Wis.
West Bend, Wis.

(5) Class IV milk - Multiply by 3.5 the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which such milk was received, and add 20 percent: Provided, That such price shall be subject to the following adjustments: (1) add $5\frac{1}{2}$ cents per hundredweight for each full one-half cent that the price of dry skim milk for human consumption is above $5\frac{1}{2}$ cents per pound, or (2) subtract $3\frac{1}{2}$ cents per hundredweight for each full one-half cent that the price of such dry skim milk is below $5\frac{1}{2}$ cents per pound. For purposes of determining this adjustment the price per pound of dry skim milk to be used shall be the average of the carlot prices for dry skim milk for human consumption, f.o.b. manufacturing plant, as published by the United States Department of Agriculture for a Chicago area during the delivery period, including in such average the quotations published for any fractional part of the previous delivery period which were not published and available for the price determination of such dry skim milk for the previous delivery period. In the event the United States Department of Agriculture does not publish carlot prices for dry skim milk for human consumption, f.o.b. manufacturing plant, the average of the carlot prices for dry skim milk for human consumption, delivered at Chicago, shall be used. In the latter event the Class IV price shall be subject to the following adjustments: (1) add $3\frac{1}{2}$ cents per hundredweight for each full one-half cent that the price of dry skim milk for human consumption, delivered at Chicago, is above $7\frac{1}{2}$ cents per pound, or (2) subtract $3\frac{1}{2}$ cents per hundredweight for each full one-half cent that such price of dry skim milk is below $7\frac{1}{2}$ cents per pound.

(b) Basic formula price to be used in determining Class I and Class II prices. The basic formula price to be used in determining the Class I and Class II prices, set forth in this section, per hundredweight of milk shall be the price for Class III milk, determined pursuant to subparagraph (4) of paragraph (a) of this section, or that derived from the following formula, whichever is higher:

(1) Multiply the average wholesale price per pound of 92-score butter at Chicago for said delivery period as reported by the United States Department of Agriculture by six (6).

(2) Add 2.4 times the average weekly prevailing price per pound of "Twins" during said delivery period on the Wisconsin Cheese Exchange at Plymouth, Wisconsin: Provided, That if the price of "Twins" is not quoted on the Wisconsin Cheese Exchange the weekly prevailing price of "Cheddars" shall be deemed to be the prevailing price for "Twins" and shall be used in determining the price pursuant to this paragraph.

(3) Divide by seven (7), the sum so determined being hereafter referred to in this paragraph as the "combined butter and cheese value."

(4) To the combined butter and cheese value add 30 percent thereof.

(5) Multiply the sum computed in subparagraph (4) above by 3.5.

(c) Butterfat differential to handlers. If any handler has purchased or received milk from producers containing more or less than 3.5 percent butterfat, such handler shall add or deduct, per hundredweight of milk, for each one-tenth of 1 percent butterfat above or below 3.5 percent, an amount computed as follows: to the average price per pound of 92-score butter at wholesale in the Chicago market, as reported by the United States Department of Agriculture for the delivery period during which the milk was received, add 20 percent and divide the result obtained by 10.

(d) Location adjustments to handlers. (1) With respect to milk purchased or received from producers at a plant located more than 70 miles by rail or highway, whichever is the shorter, from the City Hall in Chicago, Illinois, which is classified as Class I milk or Class II milk, there shall be deducted 2 cents per hundredweight and 1/4 cent per hundredweight, respectively, for each additional 15 miles or part thereof that such plant is located in excess of 70 miles from the City Hall in Chicago, Illinois: Provided, That no such deduction shall apply to unaccounted for milk classified as Class I milk pursuant to § 4(d)(3) and such milk shall be considered to have been received at the most distant plant at which the handler received milk from producers: Provided, That if any handler can prove to the market administrator that the l.c.l. freight rate, approved by the Interstate Commerce Commission, or the State authorities having the power to fix intrastate rail rates, for the movement of cream in 40-quart cans from the shipping point for the plant where such milk is received from producers to the marketing area is greater than 1/4 cent per hundredweight of milk, such actual freight rate shall be allowed such handler on Class II milk, but in no case shall such rate exceed 1/2 cent per hundredweight of milk. There shall be no location adjustment to handlers with respect to Class III milk or Class IV milk.

(2) For purposes of this paragraph, Class I milk shall be considered to be derived from that milk purchased or received from producers at plants located nearest to the marketing area from which whole milk is shipped to the marketing area: Provided, That when actual shipments of milk to the marketing area by any handler from two or more plants located in different zones are shown to be in excess of such handler's Class I milk, the location adjustments on Class I milk, as provided in this section shall be applied to such milk, up to and including 110 percent of such handler's Class I milk. Class II milk shall be considered to be that milk purchased or received from producers at plants located nearest to the marketing area; after accounting for Class I milk, from which whole milk or cream is shipped to the marketing area: Provided, That upon

proof satisfactory to the market administrator that Class II milk was received from producers at a more distant plant, location adjustment shall be allowed from the plant at which such Class II milk was received from producers.

(e) Sales outside the marketing area. (1) The price to be paid by a handler for Class I milk disposed of outside the marketing area, in lieu of the price otherwise applicable pursuant to this section and except as provided in subparagraph (2) of this paragraph, shall be the price, as ascertained by the market administrator, which is being paid for milk of equivalent use in the market where such milk is disposed of: Provided, That in the event such Class I milk is disposed of outside the 70-mile zone, such Class I price as ascertained by the market administrator shall be subject to a transportation adjustment of 2 cents per hundredweight of such milk for every 15 miles or fraction thereof up to and including 105 miles and thereafter 1 cent for every 10 miles or fraction thereof from the shipping point for the plant where such milk is received from producers to the market where such milk is utilized as Class I milk: Provided further, That such Class I price as ascertained by the market administrator, less the adjustment for transportation, shall not be lower than the Class I price f.o.b. the 70-mile zone as set forth in § 5(a)(2), minus 20 cents.

(2) The price to be paid by a handler for Class I milk disposed of outside the marketing area for which no price can be ascertained on the basis provided for in subparagraph (1) of this paragraph, and for Class I milk disposed of to Government institutions and establishments, shall be the price for Class I milk set forth in § 5(a)(2) applicable for the plant at which such milk is received from producers, which price shall not be subject to adjustment for transportation as provided in subparagraph (1) of this paragraph.

§ 6 Application of provisions. (a) Handlers who are also producers.

(1) No provision hereof shall apply to a handler who is also a producer and who purchases or receives no milk from producers or an association of producers, except that such handler shall make reports to the market administrator at such time and in such manner as the market administrator may request.

(2) In computing the value of milk for any handler pursuant hereto, the market administrator shall consider any milk or cream received in bulk by such handler from a handler who is also a producer as described in this section as a receipt from a producer.

(b) Payment for milk received from sources determined as other than producers or other handlers, or from plants described in the proviso of § 1(a)(3). If any handler has received milk from sources

determined by the market administrator to be other than producers or handlers, or from a plant described in the proviso of § 1(a)(3), the difference between the value of such milk, according to its use as Class I or Class II milk, as computed pursuant to § 7(a), and its value at the Class III price shall be paid to producers: Provided, That if such handler proves to the satisfaction of the market administrator that he paid more than the Class III price for such milk, the market administrator may use the price paid instead of the Class II price in making this computation. If such milk has been used as Class III or Class IV milk, no price adjustment shall be made.

(c) Payment for excess milk or butterfat. In the event that a handler, after subtracting receipts from his own production, receipts from other handlers, and receipts from sources determined as other than producers or other handlers, has disposed of milk and/or butterfat in excess of the milk and/or butterfat which, on the basis of his reports, has been credited to his producers as having been delivered by them, such handler shall pay to producers the value of such milk and/or the milk equivalent of such butterfat in accordance with its utilization.

§ 7 Determination of minimum prices to be paid to producers.

(a) Computation of value of milk for each handler. For each delivery period the market administrator shall compute the value of all milk received by each handler from producers by (i) multiplying the total quantity of such milk in each class as determined pursuant to § 4 by the class price with the appropriate differential applicable pursuant to § 5(c), (ii) adding together the resulting values of each class, and (iii) adding any amount computed to be paid pursuant to § 6.

(b) Computation of uniform price for each handler. The market administrator shall compute for each handler the uniform price per hundredweight of milk received by such handler, as follows:

(1) Add to the value computed pursuant to paragraph (a) of this section the total amount of the location adjustments applicable pursuant to § 8(c).

(2) Deduct, if the average butterfat content of all milk received from producers is in excess of 3.5 percent, or add, if the average butterfat content of all milk received from producers is less than 3.5 percent, the total value of the butterfat differential applicable pursuant to § 8 (b).

(3) Add the moneys resulting from the fractional cents used in adjusting previous month's price to the even cent and add or subtract the moneys necessary to correct errors in reports for previous delivery periods as established by verification.

(4) Divide by the hundredweight of milk received from producers.

(5) Adjust the resulting price to the even cent.

§ 8 Payment for milk. (a) Time and method of payment. On or before the 18th day after the end of each delivery period each handler shall pay each producer, for milk purchased or received during the delivery period, an amount of money representing not less than the total value of such milk, at the uniform price per hundredweight, computed pursuant to § 7(b) and subject to the location adjustments and butterfat differential set forth in this section.

(b) Butterfat differential to producers. The uniform price paid to producers shall be plus or minus, as the case may be, 4 cents per hundredweight for each one-tenth of 1 percent that the average butterfat content of milk delivered by any producer during any delivery period is above or below 3.5 percent.

(c) Location adjustments to producers. In making payments to producers pursuant to paragraph (a) of this section, handlers shall deduct with respect to all milk purchased or received from producers at a plant located more than 70 miles by rail or highway, whichever is the shorter, from the City Hall in Chicago, Illinois, the amount specified as follows:

	<u>Cents per hundredweight</u>
More than 70 but not more than 85 miles	2
More than 85 but not more than 100 miles	4
More than 100 but not more than 115 miles	6
More than 115 but not more than 130 miles	8
More than 130 but not more than 145 miles	10
More than 145 but not more than 160 miles	12
More than 160 but not more than 175 miles	14

For each 15 miles or part thereof beyond 175 miles from the City Hall in Chicago, Illinois, an additional 1/2 cent per hundredweight.

(d) Errors in payments. Whenever verification by the market administrator of the payment by a handler to any producer discloses a payment to such producer that is less than that required by this section, the handler shall make up such payment to the producer not later than the time of making payment to producers next following such disclosure.

§ 9 Expense of administration. (a) Payments by handlers. As his prorata share of the expense of the administration hereof each handler, except those handlers exempt from the provisions hereof as set forth in § 6(a), shall pay to the market administrator, on or before the 18th day after the end of each delivery period, a sum not exceeding 2 cents per hundredweight with respect to all milk purchased or received by him during such delivery period from producers, or produced by him, the exact sum to be determined by the market administrator: Provided, That each handler which is a cooperative association shall pay such

prorata share of expense of administration only on that milk of producers actually received at a plant of such cooperative association, or caused to be delivered by such cooperative association to a plant from which no milk or cream is disposed of in the marketing area.

§ 10 Marketing services. (a) Marketing service deduction. In making payments to producers pursuant to § 8, each handler, with respect to all milk received from each producer during each delivery period, at a plant not operated by a cooperative association of which such producer is a member, shall, except as set forth in paragraph (b) of this section, deduct 3 cents per hundredweight, or such lesser amount as the market administrator shall determine to be sufficient, and shall, on or before the 18th day after the end of such delivery period, pay such deductions to the market administrator. Such moneys shall be expended by the market administrator for verification of weights, samples, and tests of milk received from such producers and in providing for market information to such producers. The market administrator may contract with an association or associations of producers for the furnishing of the whole or any part of such services to, or with respect to the milk received from, such producers.

(b) Marketing service deductions with respect to members of a producers' cooperative association. In the case of producers whose milk is received at a plant not operated by a cooperative association of which such producers are members and for whom a cooperative association is actually performing the services set forth in paragraph (a) of this section, each handler shall, in lieu of the deductions specified in paragraph (a) of this section, make such deductions from payments made pursuant to § 8 as may be authorized by such producers, and pay over on or before the 18th day after the end of each delivery period such deductions to the association rendering such service of which such producers are members.

§ 11 Effective time, suspension, or termination of marketing agreement. (a) Effective time. The provisions hereof, or any amendment hereto, shall become effective at such time as the Secretary may declare and shall continue in force until suspended, or terminated, pursuant to paragraph (b) of this section.

(b) Suspension or termination of marketing agreement. The Secretary may suspend or terminate this marketing agreement or any provision hereof whenever he finds that this marketing agreement or any provision hereof obstructs or does not tend to effectuate the declared policy of the act. This marketing agreement shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

(c) Continuing power and duty of the market administrator. If, upon the suspension or termination of any or all provisions hereof, there are any obligations arising hereunder, the final accrual or

ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: Provided, That any such acts required to be performed by the market administrator shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(1) The market administrator, or such other person as the Secretary may designate, shall (a) continue in such capacity until removed by the Secretary, (b) from time to time account for all receipts and disbursements, and when so directed by the Secretary deliver all funds on hand, together with the books and records of the market administrator or such person, to such person as the Secretary shall direct, and (c) if so directed by the Secretary, execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

(d) Liquidation after suspension or termination. Upon the suspension or termination of any or all provisions hereof the market administrator, or such person as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions hereof, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

§ 13 Counterparts and additional parties. (a) Counterparts. This marketing agreement may be executed in multiple counterparts, and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument, as if all such signatures were obtained in one original.

(b) Additional parties. After this marketing agreement first takes effect, any handler may become a party to this marketing agreement if a counterpart hereof is executed by him and delivered to the Secretary. This marketing agreement shall take effect as to such new contracting party at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this marketing agreement shall then be effective as to such new contracting party.

§ 14 Record of milk handled and authorization to correct typographical errors. (a) Record of milk handled. The undersigned

certifies that he handled during the month of April 1942
hundredweight of milk covered by this marketing agreement and disposed
of within the Cook-DuPage Counties, Illinois, marketing area.

(b) Authorization to correct typographical errors. The under-
signed hereby authorizes the Chief, Dairy and Poultry Branch, Agri-
cultural Marketing Administration, to correct any typographical errors
which may have been made in this marketing agreement.

§ 15 Signature of parties.

IN WITNESS WHEREOF, the contracting handlers, acting under the
provisions of the act, for the purposes and subject to the limitations
herein contained and not otherwise have hereunto set their respective
hands and seals.

Signature

By

Name

Title

Address _____

Attest _____

Date _____

(Corporation only)

CERTIFICATE OF RESOLUTION

At a duly convened meeting of the board of directors of

_____ held at

_____ on the _____ day of

_____ 1942, the following resolution was adopted:

RESOLVED, That _____
shall become a party to the marketing agreement regulating the handling of milk in the Cook-DuPage Counties, Illinois, marketing area, as read and explained to the meeting, and it is further

RESOLVED, That _____ (title)

and _____ (title)
be, and hereby are authorized and directed to sign, execute, and deliver a counterpart of said marketing agreement, attached hereto, to the Secretary of Agriculture.

I, _____, Secretary of

_____, do hereby certify that
this is a true and correct copy of a resolution adopted at the above-named meeting, as said resolution appears in the minutes thereof.

Address of firm

SEAL

_____, being duly sworn, deposes
and says that he has read the foregoing statement by him subscribed and knows the contents thereof and that the same are true and correct to the best of his knowledge and belief.

Notary Public

Date